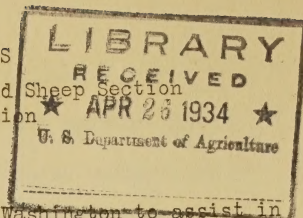


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BEEF CATTLE CONTROL POSSIBILITIES

Statement by Harry Petrie, Chief, Beef Cattle and Sheep Section
Agricultural Adjustment Administration
Chicago, April 26



I am speaking as a cattle producer invited to Washington to assist in developing a plan to benefit the cattle industry. Suggestions of many kinds from hundreds of sources within the industry to guide and aid the Agricultural Adjustment Administration in dealing with the beef cattle situation have been received and considered. The proponents of these suggestions indicate to a large extent that a production control program is necessary, for the reason that our cattle population has been increasing at an unusual rate since 1928, while beef prices to producers have declined to the lowest levels on record.

Back on the ranches and ranges is being held a tremendous volume of cattle that must be marketed. A constantly expanding surplus cannot continue indefinitely without glutting markets and depressing prices. Mr. Thorne has clearly outlined the statistical position of the industry. Those who have given the subject much thought, realize that the producers' trouble is chiefly due to a surplus of dairy and beef cows.

Most of the suggestions received by the beef cattle section for the relief of the industry are good as far as they go, but they do not go far enough. It is wise to shut the pasture gate, but unless you shut all the gates and repair all the holes in the fence, the cattle will get out. Many of the suggestions fail to shut all the gates. Most of them begin with the contention that we should reduce or prohibit the importation of meats, whether dressed, canned or on foot. I am not opposed to this view. It is a fact, however, that our total imports of beef are at most only a fraction of 1 per cent of our total output. Even, therefore, if we excluded imports of meat products of every kind, the effect on our excess cattle supplies would be almost negligible.

The suggestion to eliminate diseased cattle would be more effective

than an embargo on meat imports, but it would not fully meet the difficulty. We could hardly expect to get rid of more than one or two million cattle under a disease elimination program. A large percentage of those which would be removed would be carriers of disease but not actually infected, and, consequently, a high proportion would pass for human food, and so enter the normal channels of the meat trade. This, therefore, must be classed with suggestions that do not go far enough to remove the cattle surplus.

Another suggestion is that beef cows and heifers be purchased for Federal relief purposes. It is assumed that if this were done large quantities of beef would be consumed by people who could not otherwise obtain it. The extent of purchases for relief purposes is limited by the amounts of beef that could be consumed by people who are not able to buy it with their own funds. Possibly 15,000 to 20,000 head of cattle a month might be used in this way.

It has been suggested that, in addition to Federal purchasing of cattle for current relief uses, large numbers be bought and stored as meat for future contingencies. This suggestion is of very doubtful practicability.

Purchases for relief purposes, to the extent to which the beef could be consumed, and the elimination of diseased cattle would be of temporary assistance to the industry. This was recognized by Congress in authorizing an appropriation of 50 million dollars for these purposes. It is clear, however, that the removal of a part of the surplus cattle now being marketed would not get down to the root of the problem. It would not prevent the birth of excessive calves. It would do but little good to relieve the market today if we flooded it again tomorrow.

Several production control suggestions have been offered. One of these is to spay a certain percentage of heifers, and offer an inducement to cattlemen to market a higher percentage of heifers than would be normally sold. Cattle producers are familiar with the many practical objections to spaying.

The marketing of heifers is not open to any of these objections, but we must bear in mind that in many regions of the country producers make a practice of keeping all their heifers and selling enough cows each year to keep their breeding herds from getting too large. By reducing their cow marketings, these producers could easily offset the desired effects of any heifer selling program.

Another suggestion from many areas is that a premium should be paid on all cows and heifers marketed for slaughter. There is no question that the payment of a substantial sum for the marketing of females would encourage the marketing of such cattle, and, temporarily at least, would reduce the total number. If it were made profitable, however, for a stockman to market female cattle, it would at the same time be profitable for him to raise more.

In order to attack the cattle industry's key problem at its roots, we must not only reduce the number of females on hand, but provide some means whereby the number of females can be kept at the new or lower level to which it is reduced. If producers decide in a general way that they want a cattle production control program, it will be up to them to determine the point at which control should be exercised.

Theoretically, what we wish to control is the number of pounds of beef produced. It would be far from simple, however, to determine the number of pounds of beef produced by the man who raises the calf, by the man who grazes the steer on the plains, and by the man who fattens the steer in the Corn Belt.

The most vital point at which to aim control is the number of females of breeding age. These are the beef-producing units. If we control them, we thereby control the output.

If producers want to control the number of females in their herds, what would they expect to receive in benefit payments for participating in a production control program?

Some of us may be thinking of the present cattle problem as essentially that of beef producers. It is to be remembered that two-thirds of the cows and heifers in the United States are used for dairying. Consequently any program to control the number of breeding females or the number of animals produced for meat will involve both dairy and beef cattle, and the cost of the program, if benefit payments should be made to cooperating producers, should be borne by both dairy cattle and beef cattle producers.

The control of the cattle supply is in the hands of producers who raise the calves, but, since Corn Belt feeders of beef cattle would be affected by any processing tax that might be levied, they would be entitled to share in the benefit payments under a control program. Such a program would require their approval and cooperation.

Three questions are before cattle producers today: First, do they wish to engage in a program to reduce the number of their females to a lower level and keep the number at that level until the supply is adjusted to actual demand? Second, will they enter a program involving a processing tax sufficient to meet benefit payments that they would receive under a control program? (It might be possible to postpone the levying of a processing tax until the effects of the program began to appear.) Third, do cattle producers who know the supply, demand and price facts prefer to do nothing more than remove a few thousand diseased cattle and sell possibly a million or so for relief purposes or do they desire to make more fundamental and lasting adjustments in actual herd numbers?

It is for producers of beef cattle and producers of dairy cattle and feeders of cattle to answer these questions themselves. No program could succeed without their combined and effective support.

We have between 6 and 7 million too many cows. Unless some definite plan is adopted soon to restrict the constantly increasing numbers of cattle, there will be plenty of trouble ahead.

